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COLUMBIA | GREENVILLE

February 27, 2006

**HAND DELIVERED**

Mr. Charles Terreni  
Chief Clerk of the Commission  
Public Service Commission of South Carolina  
Synergy Business Park, Saluda Building  
101 Executive Center Drive  
Columbia, SC 29210

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**Re: Telmex USA, L.L.C.  
Docket No. 2005-365-C  
Our File No. 30087-0001**

Dear Mr. Terreni:

Enclosed for filing please find the Testimony of Jorge Rodriguez on behalf of Telmex USA, L.L.C. The company does not intend to use telemarketing in South Carolina; therefore, no sample scripts are included. Please date-stamp the extra copies of the testimony as proof of filing and return them with our courier.

If you have any questions, please have someone on your staff contact me.

ROBINSON, MCFADDEN & MOORE, P.C.

Bonnie D. Shealy

/bds  
Enclosure

cc/enc: Jeffery M. Nelson, Staff Attorney ORS (via email & U.S. Mail)  
Ms. Bobbi Ferguson (via email)  
Mauro Costa, General Counsel  
Mr. Jorge Rodriguez  
Ms. Daphne Dukes (via email)

FILED DATE: *OK D. Duke*  
FILED DATE: *OK D. Duke*

BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. 2005-365-C

**In Re:** )  
**APPLICATION OF TELMEX USA, L.L.C. FOR** )  
**AUTHORITY TO OPERATE AS A RESELLER** )  
**OF TELECOMMUNICATION SERVICES WITHIN** )  
**THE STATE OF SOUTH CAROLINA** )

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COMMISSION

DIRECT TESTIMONY OF JORGE RODRIGUEZ

ON BEHALF OF TELMEX USA, L.L.C.

1 Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

2 A: **My name is Jorge Rodriguez. My business address is 3350 SW 148<sup>th</sup> Avenue, Suite**  
3 **132, Miramar, Florida 33027.**

4 Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

5 A: **I am President of Telmex USA, L.L.C. located at 3350 SW 148<sup>th</sup> Avenue, Suite 132,**  
6 **Miramar, Florida 33027.**

7 Q: IS THE ADDRESS OF THE COMPANY THE SAME AS THAT WHICH YOU HAVE  
8 JUST SUPPLIED?

9 A: **Yes.**

10 Q: WHAT ARE YOUR RESPONSIBILITIES WITH THE COMPANY?

11 A: **As President, I am responsible for Telmex USA's day-to-day operations including**  
12 **managing a full suite of products and services targeted at both consumer and**  
13 **business markets.**

14 Q: COULD YOU PROVIDE A BRIEF BACKGROUND ON YOUR EDUCATION AND  
15 EXPERIENCE WITH TELECOMMUNICATIONS?

16 A: **Yes. I have over 14 years of highly successful international executive and**  
17 **management experience in operations, sales, marketing and customer support.**  
18 **Prior to joining Telmex USA, L.L.C. in February 2004, I served in various executive**  
19 **positions at AT&T and AT&TLA Corporations including Regional VP and VP of**  
20 **Sales and Operations. While at AT&T and AT&TLA Corporations, I launched start**  
21 **up operations in Latin America, established a fully integrated regional operation in**  
22 **support of Global Customers, managed over \$3B in assets, and was a Board**

1       **Member of several AT&TLA operating companies in Latin America. I hold an**  
2       **Advanced Management Degree a BA in Biology/Molecular Biology from Colgate**  
3       **University and led research in Bio-Chemical/Molecular Biology Engineering**  
4       **between Colgate University and Oxford University.**

5   Q:    ARE YOU FAMILIAR WITH THE APPLICATION OF YOUR COMPANY  
6       SUBMITTED TO THIS COMMISSION?

7   A:    Yes.

8   Q:    DO YOU RATIFY AND CONFIRM THE STATEMENTS AND REPRESENTATIONS  
9       MADE IN THAT APPLICATION?

10  A:    Yes.

11  Q:    HOW LONG HAS TELMEX USA BEEN IN BUSINESS?

12  A:    **Telmex was organized in the State of Delaware on February 22, 1997 as a limited**  
13       **liability company.**

14  Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

15  A.    **My testimony addresses Telmex USA's practices and proposed services, and**  
16       **demonstrates that Telmex possesses the financial, technical, managerial, and**  
17       **operational capabilities to operate as a provider of competitive interexchange**  
18       **telecommunications services in South Carolina, as well as Telmex's intent to comply**  
19       **with all applicable Commission regulations.**

20  Q.    PLEASE DESCRIBE THE CORPORATE STRUCTURE OF THE APPLICANT.

21  A.    **Telmex USA, L.L.C. is a limited liability corporation organized under the laws of**  
22       **the State of Delaware. A copy of Telmex's Articles of Organization is attached to the**

**application at Exhibit A.**

**Q: WHY HAS APPLICANT FILED THIS APPLICATION?**

**A: Telmex USA's telecommunication offering has found a wide acceptance among consumers and business users in other states. Telmex USA is engaged in an expansion of its operation to meet demand and is obtaining certification in all those states which require it.**

**Q. PLEASE DESCRIBE THE AUTHORITY THAT TELMEX USA SEEKS BY ITS APPLICATION.**

**A. Telmex USA seeks authority as a switched based reseller to provide long distance telecommunications services in the State of South Carolina.**

**Q. PLEASE DESCRIBE THE SERVICES TELMEX WOULD PROVIDE IF THE APPLICATION IS APPROVED.**

**A. Initially, Telmex's intrastate services will consist primarily of prepaid calling cards that can be accessed twenty-four hours a day, seven days a week from any touch tone telephone using toll free access numbers. Applicant's prepaid cards may be can be used for both domestic and international calling normally in \$5.00 denomination. Applicant does make available prepaid cards with discounted rates for specific countries geared for international calling. The service is typically sold through retail locations that resell the service to end-users. Telmex's computer equipment informs the customer of the amount of balance remaining on the card each time it is used. As the user places and completes calls over the network in accordance with the instructions on the prepaid card, the prepaid card is reduced at a specified unit**

1 or rate per minute of use depending upon the type of card. The prepaid card may be  
2 used until the balance is depleted. Attached as Exhibit 1 are sample prepaid cards.

3 In addition to prepaid card services, Telmex will be offering interstate and  
4 international private line, frame relay, and ATM services to business customers.

5 Q. IS TELMEX AWARE OF THE COMMISSION'S BOND REQUIREMENT?

6 A. Yes. Telmex is aware that the company will be required to post a \$5,000.00 bond  
7 with the Commission prior to offering pre-paid card services in South Carolina.

8 Q: DOES APPLICANT PRESENTLY OFFER OR PROVIDE INTRASTATE SERVICE  
9 IN SOUTH CAROLINA?

10 A: No.

11 Q: WILL APPLICANT PROVIDE ANY EQUIPMENT OR FACILITIES IN  
12 CONNECTION WITH ITS SERVICES?

13 A: Yes. Telmex USA provides prepaid services through a state of the art prepaid  
14 platform located in Miami, Florida. This platform is supported by Telmex USA's  
15 technical staff on a 24x7 basis. As a switched-based reseller, the Company relies on  
16 its facilities-based underlying carriers for the operation and maintenance of the  
17 transmission facilities. Consequently, the quality of service that the Company's  
18 customers receive will be at least equivalent to that provided by the underlying  
19 carrier(s). For other services that the Applicant may provide in the future such as  
20 toll free services, services may be provided on a pure resale basis relying on both the  
21 switching and transmission facilities of the underlying carriers.

22 Q: DO YOU BILL YOUR CUSTOMERS DIRECTLY OR THROUGH A BILLING

1       AGGREGATOR?

2       **There is no bill for prepaid services. However, for services where Telmex USA does**  
3       **render an invoice for example our interstate and international private line services,**  
4       **the customer is billed directly**

5    Q:   DOES APPLICANT HAVE OFFICES IN SOUTH CAROLINA?

6    A:   **No. There is no need to do so. Telmex USA markets its services to commercial and**  
7       **residential customers through its own sales organization, its authorized distributors,**  
8       **and retail outlets. Telmex USA's prepaid card service is typically sold through**  
9       **retail locations that resell the service to end-users.**

10   Q:   WHERE DOES APPLICANT ANTICIPATE OFFERING ITS SERVICES IN SOUTH  
11       CAROLINA?

12   A:   **Telmex intends to offer its services throughout the state of South Carolina. Services**  
13       **provided through switched access are available to any customer in an equal access**  
14       **area. Services provided through dedicated access would be available anywhere in**  
15       **the state.**

16   Q:   IS APPLICANT PROPOSING TO PROVIDE INTRASTATE OPERATOR SERVICES  
17       IN SOUTH CAROLINA?

18   A:   **No.**

19   Q:   DOES APPLICANT OFFER OPERATOR SERVICES IN OTHER STATES?

20   A:   **No.**

21   Q:   DOES APPLICANT PROVIDE PAYPHONE SERVICES?

22   A:   **No.**

1 Q: HOW WILL APPLICANT MARKET ITS SERVICES?

2 A: **Telmex USA's prepaid card service is typically sold through retail locations that**  
3 **resell the service to end-users. Our other interstate and international services are**  
4 **marketed on a national basis by our sales representatives.**

5 Q: IS APPLICANT CERTIFIED OR OTHERWISE AUTHORIZED TO PROVIDE  
6 INTRASTATE RESALE SERVICES OF THE TYPE DESCRIBED HEREIN IN ANY  
7 OTHER STATES?

8 A: **Currently, Telmex has been certified or otherwise authorized to provide intrastate**  
9 **resale services in Arizona, Arkansas, California, Colorado, Connecticut, Delaware,**  
10 **Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland,**  
11 **Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New**  
12 **Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota,**  
13 **Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia,**  
14 **Washington, Wisconsin, and Wyoming. We have never been denied authority in**  
15 **any state.**

16 Q. HAVE THERE BEEN ANY CHANGES IN PERSONNEL SINCE THE  
17 APPLICATION WAS FILED?

18 **Yes. Mr. Alex Marban joined Telmex USA, L.L.C. as Controller in January 2006**  
19 **bringing with him over 20 years of accounting, financial, and management**  
20 **experience in the medical, aviation, insurance and telecom industries.**

21 Q: IN WHAT OTHER STATES WILL APPLICANT SEEK WHATEVER APPROVALS  
22 ARE NECESSARY?



1    **A:     Telmex is in the process of completing nationwide certification in those states where**  
2       **approval is necessary.**

3    **Q:     WILL APPLICANT'S INTERSTATE FACILITIES BE EMPLOYED TO TERMINATE**  
4       **SOUTH CAROLINA CALLS?**

5    **A:     That is a matter handled by the underlying carriers but we understand that is the**  
6       **case.**

7    **Q:     FOR PURPOSES OF REPORTING TELMEX'S PERCENTAGE OF INTERSTATE**  
8       **USAGE, WOULD TRAFFIC SENT OUT OF THE STATE AND THEN BACK BE**  
9       **REPORTED INTRASTATE OR INTERSTATE TRAFFIC?**

10   **A:     It would be considered intrastate traffic.**

11   **Q:     IN YOUR OPINION, WHY IS APPLICANT'S SERVICE IN THE PUBLIC**  
12       **INTEREST?**

13   **A:     Telmex USA's entry into the telecommunications market will serve the public**  
14       **interest by creating greater competition in the telecommunications marketplace and**  
15       **will permit customers access to more efficient services and cost savings. Telmex**  
16       **USA's proposed intrastate services will increase consumer choice through**  
17       **innovative, diversified and reliable service offerings. Consumers will benefit both**  
18       **directly, as a result of the competitively priced service options available from**  
19       **Telmex USA, and also indirectly, as Telmex USA's presence increases the incentives**  
20       **for other telecommunications providers to operate more efficiently: reduce prices,**  
21       **and offer more innovative services. The more competitively equal companies are,**  
22       **the more the public should benefit through products and services made and/or**

1 delivered more efficiently and more responsively to consumer needs and desires.  
2 Moreover, Telmex USA's proposed operations will increase the demand for and  
3 usage of the existing state-of-the-art networks of its underlying carriers, thereby  
4 promoting continued development of telecommunications infrastructure to serve the  
5 needs of consumers.

6 **Q. WHAT REGULATORY TREATMENT IS TELMEX SEEKING IN THIS**  
7 **APPLICATION FOR ITS LONG DISTANCE BUSINESS SERVICES,**  
8 **CONSUMER CARD SERVICES, PRIVATE LINE SERVICES AND OPERATOR**  
9 **ASSISTED SERVICES OFFERINGS?**

10 **A. Telmex requests that all of its business service offerings be regulated pursuant to the**  
11 **procedures described and set out in Docket No. 95-661-C and as modified by Order**  
12 **No. 2001-997-C in docket No. 2000-407-C. It is Telmex's intent by this request to**  
13 **have its current consumer card services, and future service offerings such as long**  
14 **distance business services, private line services, and operator assisted services**  
15 **regulated in the same manner as this Commission has permitted for by AT&T**  
16 **Communications of the Southern States. Specifically, Telmex requests:**

17 (a) removal of maximum rate tariff requirements for its business services,  
18 consumer card, operator service, and future private line, and customer  
19 network-type offerings;

20 (b) that tariff filings for these uncapped offerings are presumed valid upon  
21 filing. If the Commission institutes an investigation of a particular filing

1                   within seven days, the tariff filing will be suspended until further order  
2                   of the Commission; and

3                   (c) any relaxation in the reporting requirements that may be adopted for  
4                   AT&T shall apply to Telmex also.

5                   We understand that the alternative regulation orders were modified by  
6                   Order No. 2001-997 so that rate caps for operator-assisted calls where a consumer  
7                   uses a local exchange carrier's calling card to complete calls from locations which  
8                   have not selected that local exchange carrier as their toll provider. The order  
9                   imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a  
10                  maximum cap of \$0.35 related to the flat per-minute rate associated with these calls.

11    **Q.     WHY IS THE COMPANY SEEKING AN EXEMPTION FROM MAINTAINING**  
12                  **RECORDS IN SOUTH CAROLINA?**

13    **A.     Telmex requests a waiver of the requirements of 26 S.C. Reg. 103-610 that a carrier**  
14                  **keep all records required by the Commission's rules and regulations within the**  
15                  **State of South Carolina. Since the Company's operations center is in Florida,**  
16                  **maintaining its books and records in South Carolina would be unduly burdensome.**  
17                  **Telmex has a registered agent in South Carolina and will bear any costs associated**  
18                  **with the Commission's inspection of its books and records.**

19                  Telmex also seeks an exemption for any policies that might require a carrier  
20                  to maintain its financial records in conformance with the Uniform System of  
21                  accounts. As a competitive carrier, Telmex maintains its books in accordance with

1       **Generally Accepted Accounting Principles; and therefore, does not possess the**  
2       **detailed cost data required by USOA.**

3    Q:   DOES THIS COMPLETE YOUR PREFILED TESTIMONY IN SUPPORT OF YOUR  
4       APPLICATION?

5    A:   **Yes it does.**

6    Q:   WILL YOU REMAIN AVAILABLE TO RESPOND TO ANY ADDITIONAL  
7       QUESTIONS FROM THE COMMISSION OR ITS STAFF ABOUT YOUR  
8       APPLICATION OR COMPANY IF NECESSARY?

9    A:   **Yes.**

**BEFORE THE**  
**SOUTH CAROLINA PUBLIC SERVICE COMMISSION**


STATE OF FLORIDA                     )  
  )     SS:  
COUNTY OF BROWARD             )

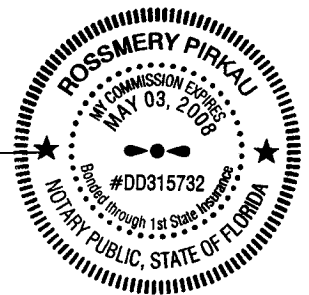
**AFFIDAVIT**

I, Jorge Rodriguez, of lawful age, being first duly sworn, deposes and says as follows:

1. I am President of Telmex USA, L.L.C. and have caused to be prepared written testimony in connection with Telmex's Petition for a Certificate of Public Convenience and Necessity.
2. My testimony is true and correct as I verily believe.

Further affiant sayeth not.

  
\_\_\_\_\_  
Jorge Rodriguez  
President



Subscribed and sworn to before me a notary Public on this 24th day of February, 2006.

  
\_\_\_\_\_  
Notary Public                     ROSSMARY PIRKAU

My commission expires: May 03, 2008



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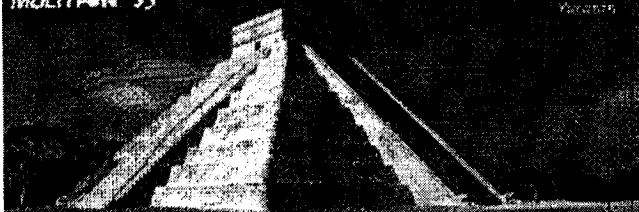
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TELMEX

MULTIFON \$5

Chichén Itzá  
Yucatán



Tarjeta Telefónica Prepagada \* Prepaid Phone Card





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TELEFONOS DE MEXICO S.A. DE C.V.

SERIAL#

# CERTIFICATE OF SERVICE

Application of Telmex USA, L.L.C. )  
for Authority to Operate as a )  
Reseller of Telecommunication )  
Services Within the State of South )  
Carolina )

  
Lori W. Foy